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NEW APPLICATION

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BEFORE THE ARIZONA CORPORATIC

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BRENDA BURNS

E-01750A-11-0270

IN THE MATTER OF THE APPLICATION OF MOHAVE ELECTRIC COOPERATIVE, INC. FOR APPROVAL OF ITS 2012 RENEWABLE ENERGY STANDARD AND TARIFF PLAN, INCLUDING A RENEWABLE ENERGY STANDARD TARIFF

DOCKET NO. E-01750A-11-

APPLICATION

Mohave Electric Cooperative, Inc. ("MEC"), through its undersigned attorneys. submits this Application requesting approval of its 2012 Renewable Energy Standard and Tariff ("REST") Plan, including its renewable energy standard tariff (the "2012 REST Plan") pursuant to the Commission's Renewable Energy Standard ("RES") rules (and in particular AAC R14-2-1813 and R14-2-1808) and to the extent not otherwise superseded, the Commission Environmental Portfolio Standard ("EPS") rules (and in particular AAC R14-2-1618). This Application is supported by the following:

1. MEC is a member-owned non-profit cooperative that is certified to provide electricity as a public service corporation in the State of Arizona.

2. MEC specific REST Plans for 2010 and 2011were approved by Commission Decision No. 71407, dated December 8, 2009 and Decision No. 72092, dated January 20, 2011. MEC's Net Meter Tariff was separately approved initially by Commission Decision No. 71461, dated January 26, 2010 and revisions are submitted annually.

3. By this Application, MEC files its REST Plan for 2012, attached hereto as Exhibit 1 and incorporated herein by this reference. MEC's 2012 REST Plan maintains the seven significant features of its 2010 REST Plan, with minor modifications to some of those features and lists "Other Programs – Community-Based Projects" as an eighth feature.

4. The eight major features of MEC's 2012 REST Plan are:

a. Voluntary Renewable Energy Program ("Green Energy")

b. Member Self-Directed Renewable Energy Program

c. SunWatts Residential and Commercial Incentive Program

d. Clean Renewable Energy Bonds (CREBS)

e. SunWatts Large-Scale Program (In conjunction with AEPCO)

f. Analysis of Geothermal Resources Within and Outside MEC's Service Territory

g. Distributed Generation Solar Installation Within MEC's Service Territory

h. Other Programs – Community-Based Projects

5. Highlights of changes in the 2012 REST Plan from the 2011 REST Plan, include:

a. Adding flexibility to where funding is used under the REST Plan;

b. Additions to the Community-based programs; and

c. Deleting references to projects that are completed or did not go forward.

6. MEC's current RES Tariff and Plan were approved by Decision No. 72092, dated January 20, 2011. By this Application, MEC seeks no changes in the REST surcharge.

7. MEC has separately filed its annual net metering tariff revision. See, Commission Docket No. E-01750A-11-0261.

8. All communications regarding this Application should be provided to:

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WHEREFORE, Mohave Electric Cooperative, Inc. requests the Commission to enter its Order:

A. Approving MEC's 2012 REST Plan and Tariffs attached hereto; and

B. Such other and further relief as the Commission deems just and proper under the circumstances.

/ / /

/ / /

DATED this 1st day of July, 2011.

CURTIS, GOODWIN, SULLIVAN,
UDALL & SCHWAB, P.L.C.

By: _____

Michael A. Curtis
William P. Sullivan
501 East Thomas Road
Phoenix, Arizona 85012-3205
Attorneys for Mohave Electric
Cooperative, Inc.

PROOF OF AND CERTIFICATE OF MAILING

I hereby certify that on this 1st day of July 2011, I caused the foregoing document to be served on the Arizona Corporation Commission by delivering the original and thirteen (13) copies of the above to:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

_____

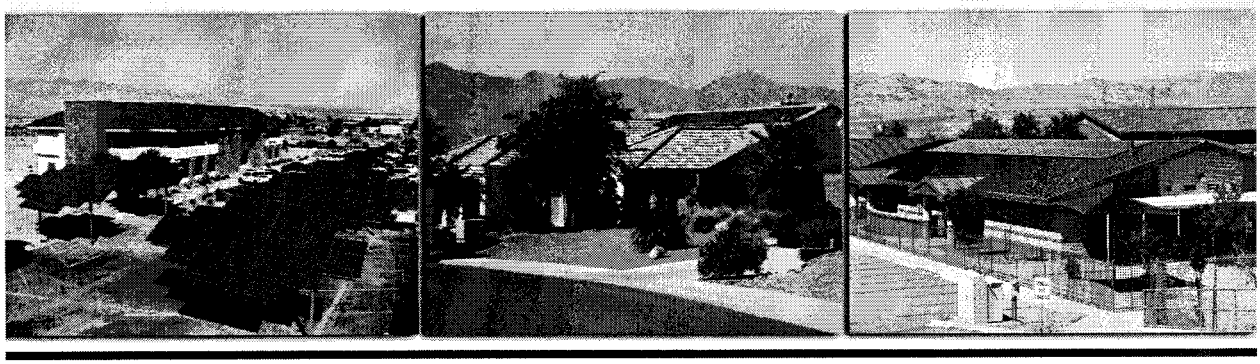
1234\028-0008-0001 REST Plan 2011\Pleadings\Application to Approve 2012 REST Plan

EXHIBIT 1

Mohave Electric Cooperative, Inc.'s
2012 Renewable Energy Standard and Tariff Plan

MOHAVE
electric cooperative
A Touchstone Energy® Cooperative

2012 RENEWABLE ENERGY STANDARD & TARIFF (REST PLAN)



Submitted by:

Peggy Gillman

Manager of Public Affairs & Energy Services

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MOHAVE ELECTRIC COOPERATIVE, INC.
RENEWABLE ENERGY STANDARD and TARIFF

I. BACKGROUND

Mohave Electric Cooperative, Inc. ("MEC") is a rural electric distribution cooperative headquartered in Bullhead City, Arizona. MEC provides electric service to approximately 34,500 members in Mohave, Coconino, and Yavapai counties. MEC owns and operates 109 miles of 69 kV distribution lines and 1,375 miles of distribution lines. MEC employs approximately 80 employees and provides service to 27 meters per mile of line in its service territory.

MEC is presently a wholesale power customer of the Arizona Electric Power Cooperative, Inc. ("AEPCO") and purchases additional wholesale resources from other market providers. In 2010, MEC delivered 655 gigawatt-hours in retail sales to its members. This represents a 2.5% reduction compared to 2009.

Since the inception of the Environmental Portfolio Standard, ("EPS"), and subsequently the Renewable Energy Standard and Tariff, ("REST") through 2009, AEPCO filed annual compliance reports with the Director, Utilities Division, ACC, on behalf of its four Arizona member distribution cooperatives, including MEC. Commencing with the 2010 REST Plan, MEC designed and implemented its own REST Plan, independent from AEPCO. This application extends MEC's independent REST Plan, with some minor modifications explained herein, for 2012.

II. MEC's REST PLAN

The MEC REST Plan includes eight components intended to achieve our annual renewable energy goals, which for 2012 is 1% of 2012 retail energy sales, adjusted for projected savings achieved through MEC's EE Plan. Those components are:

- Voluntary Renewable Energy Program (unchanged)
- Member Self-Directed Renewable Energy Program (unchanged)
- SunWatts Residential and Commercial Incentive Program (unchanged)
- Clean Renewable Energy Bonds (CREBS—PV for Schools) (modified)
- SunWatts Large-Scale Program (In conjunction with AEPCO) (unchanged)
- Analysis of Geothermal Resources Within and Outside of MEC's Service Territory (unchanged)
- Distributed Generation Solar Installation Within MEC's Service Territory (modified)
- Other programs—Community-based Projects (modified)

The first four incentive programs are self selecting; MEC can offer, but not compel, customers to undertake renewable projects. The geothermal resources and generation solar installation are programs directed by MEC that all customers will be able to utilize and share in

the benefits. The SunWatts Large-Scale Program, developed in conjunction with AEPCO, provides renewable resources for delivery through AEPCO and provides benefits to MEC members through MEC's membership in AEPCO. The Community-based projects assist non-profit community-based organizations in securing renewable resources.

All existing MEC rebates, rebate caps, details, and conditions were effective January 1, 2011. Modifications of the Plan will go into effect on January 1, 2012 unless otherwise specified in this Plan or the order of the Commission approving the MEC REST Plan for 2012. Members with existing renewable energy systems are not eligible for additional rebates on existing systems as a result of changes to the MEC REST Plan.

As discussed below, the modifications include: (i) completion of all eligible PV for Schools projects and transition to repayment of internal financing in lieu of CREBS, (ii) continued exploration of renewable energy projects up to 5 MW, (iii) expanded Community-based programs to include Fire Stations and an additional non-profit location project.

MEC is not proposing any change to its 'Renewable Energy Standard Tariff' for 2012; a copy of which is included in the REST Tariffs section of this REST Plan.

Voluntary Renewable Energy Program

MEC will continue to offer their retail customers a voluntary program whereby participating members of the Cooperative can support the purchase of "green energy." "Green Energy" will be offered to customers for purchase in 50 kWh blocks at a cost of $2.00 each. "Green Energy" purchases will be reflected as a line item on participating members' monthly invoice. All funds received by MEC under this program will be added to amounts collected from surcharges and used for support of renewable energy projects. Advertising and other promotional materials and activities encourage participation in this program. MEC is not proposing any change to its 'Voluntary Renewable Energy Program Tariff' for 2012; a copy of which is included in the REST Tariffs section of this REST Plan.

Member Self-Directed Renewable Program

An eligible MEC customer, who pays more than $25,000 annually in renewable energy surcharge funds, may apply to MEC to receive funds to install distributed renewable energy resources. An eligible customer seeking to participate in this program shall submit to MEC a written application that describes the renewable energy resource that it proposes to install and the projected cost of the project. All renewable energy credits derived from the project shall be applied to satisfy the Cooperative's annual renewable energy requirement. This component is further described in greater detail in the 'Renewable Energy Customer Self-Directed Tariff' MEC is not proposing any change to its 'Renewable Energy Customer Self-Directed Tariff' for 2012; a copy of which is included in the REST Tariffs section of this REST Plan.

SunWatts Residential and Commercial Incentive Program

The SunWatts Incentive Program pays customers rebates to encourage the installation of qualifying member-owned photovoltaic ("PV"), solar water heating and small wind turbine systems. All incentive programs will be rebated on a first come, first served basis until funding is exhausted. Once a customer submits a reservation form, no further reservation form will be accepted from the customer until the pending installation has been fully completed and the rebate provided or the reservation is voluntarily withdrawn.

For small residential PV and small wind systems up to 5 kW and for small commercial PV and wind systems up to 10 kW, MEC will pay $2.00 / watt of installed nameplate capacity, up to 40% of the total cost of the system up to 5 kW in size. For residential systems larger than 5 kW and commercial systems larger than 10 kW, MEC will pay $1.50 / watt up to 40% of the total cost of the system. The dollar cap for residential PV and small wind systems installed at a single residence is $30,000 and is $50,000 for commercial PV and wind turbine systems installed at a commercial location. To qualify for incentives, the combined generation capacity at the location is limited to a maximum of 125% of the total connected load at the location and is limited to one installation per service entrance for residential and commercial PV and small wind turbine systems.

This incentive program is unchanged from the approved 2011 REST Plan. MEC has sufficient program funds and no backlog of incentive program requests, therefore no change is proposed.

All PV and small wind projects larger than 50 kW are not covered by the REST tariff incentives and will be dealt with on a case-by-case basis through negotiated contracts.

For residential solar water heating systems, MEC will provide a rebate of $0.75 per kWh of energy saved during the system's first year of operation. Solar systems must be OG-300 certified solar systems to be eligible for the SunWatts rebate. A list of OG-300 certified solar systems is available at the Solar Rating and Certification Corporation's website www.solar-rating.org. MEC will only rebate those systems which replace a traditional electric water heater. In addition, the customer contribution to the cost of the solar water heater project must be a minimum of 15% of the total project cost after accounting for and applying all federal and state incentives. Solar swimming pool heating systems are not eligible for the SunWatts rebate.

In addition to the foregoing programs, MEC will continue to include Biomass, Biogas, Daylighting and Solar Space Cooling. The Daylighting program would rebate $.20 per kWh saved during the first year. The other programs would offer Production Based Incentives ("PBI") paid for Renewable Energy Credits over a ten-year period. The Biomass/Biogas incentives per kWh will be: $0.06 for electric generation, $0.035 for Biomass/Biogas CHP electric, $0.018 for Biomass/Biogas CHP-Thermal, $0.015 for Biomass/Biogas thermal and $0.032 for Biomass/Biogas cooling. The Solar Cooling PBI would be for ten years in the amount of $0.129 per measured kWh.

Clean Renewable Energy Bonds ("CREBs") - PV for Schools

All eligible schools in MEC's service territory have received PV systems under the approved 2010 and 2011 REST Plans. MEC was also authorized by Decision No. 72092 to provide these systems at no cost to the schools by utilizing up to $1,000,000 of internal MEC funds as bridge financing until substitute funding becomes available.

MEC intends to apply for multi-year funding of its PV for Schools program by application for CREBs or similar Federal and State funding programs as discussed below in order to repay the bridge financing used for the projects.

Due to changes in the Federal and State funding programs following the 2007 Federal Stimulus legislation and the high demand for the available funds, Mohave has not yet been able to secure a commitment for such funding.

MEC will continue to review Federal and State renewable energy funding programs and will apply for funds when they are available to MEC to assist in accomplishing renewable energy goals and reflect the projects associated with those funding sources in future REST Plans. Once Federal or State funds become available, MEC would evaluate the CREBs terms and conditions including the ten year interest rate, and deploy CREBs funding if it is in the best interest of the REST program.

SunWatts Large-Scale Program

The SunWatts Large-Scale Program has two components: A Purchase Power Contract Program and a Generating Program. The Purchase Power Contract Program is administered by AEPCO on behalf of its member cooperatives. MEC will continue to participate with AEPCO and its member cooperative on projects that are determined to be beneficial and help in meeting the REST Plan requirements.

Geothermal Resources

Within The MEC Service Territory

MEC, in partnership with Navopache Electric Cooperative, Inc., ("NEC"), retained the firm of Black & Veatch, Consulting Engineers, ("B&V"), to investigate the feasibility of developing geothermal energy resources within each cooperative's service territory. B&V partnered with GeothermEx, Inc. of Richmond, California to evaluate the literature in the public domain and information provided by NEC to identify and characterize known thermal waters, heat flow and geology.

GeothermEx used the data collected and evaluated to describe geothermal targets, within or near the two service territories, in terms of depth, host formations and, if possible, order-of-magnitude estimates of generation potential. For the sites identified, preliminary estimates of land status, access, proximity to transmission infrastructure and water availability will be

determined. A program of exploration and confirmation drilling, including costs and approximate timelines, has been developed by GeothermEx.

GeothermEx and B&V have delivered their final report to the Cooperatives, which concludes that the potential for an initial 5 MW geothermal generation resource is feasible in both service territories, with the NEC location having the highest probability for success. NEC has initiated a grant application to the DOE to fund exploratory drilling. MEC will monitor the progress of NEC and is prepared to partner with NEC in the development of the geothermal resource once exploratory drilling indicates that the project will proceed to commercial development.

Outside MEC's Service Territory

MEC continues its Willcox Greenhouse Geothermal Project agreement with Sulphur Springs Valley Electric Cooperative and AEPCO. The project has provided 1,725,647 RECs to MEC.

Distributed Generation Solar Installation Within MEC's Service Territory

MEC continues to explore development of a renewable energy generation project up to 5 MW within the MEC service territory. The Cooperative is considering a developer-based project, as well as exploring MEC's own development of a renewable energy project within its own load bubble.

Funds allocated for this project can be utilized on any qualified renewable project within MEC's Service Territory up to 5 MWs, excluding any renewable energy project for which MEC has another specific program under this REST Plan.

Other Programs

Community-Based Programs-MEC proposes to expand this program to include the following with a total budget of $75,000:

Habitat for Humanity/Community Services Program – In the past MEC has partnered with Habitat for Humanity to offer alternative energy options to low income housing in MEC's service area. MEC's REST Plan's budget allows for one project per year that would not exceed $25,000. In years where Habitat for Humanity does not designate an eligible low income housing project under this program by July 1 of the year, MEC will select another community based non-profit organization, to receive the $25,000 renewable energy project.

PV for Fire Stations Program – MEC will select an eligible Fire Station in the Service territory for one PV project per year not to exceed $25,000.

Non-profit project – MEC will select one additional eligible non-profit facility to receive a PV system not to exceed $25,000.

In 2010 and 2011 MEC successfully facilitated $50,000 in private donations to enhance its REST Plan approved community projects. The Cooperative will continue to pursue private donations for future projects under this program

PV For Schools Program - This program has been described under the CREBs discussion.

Educational Grant Program - One school per year, in MEC's service area, would be offered an educational grant of no more than $5,000 for the development of renewable energy generation educational curricula for the classroom.

Administrative, Advertising/Promotion, and Research and Development – MEC advertises and promotes its REST programs in a variety of mediums including, but not limited to, bill inserts, monthly newsletter, television, radio and community events. MEC will not use more than 15% of total surcharge funds for administration, research and development and advertising expenses. At the end of each program year, unused funds will be carried over to fund activities and programs in the following year.

MEC maintains information on its customer driven programs on its website at www.mohaveelectric.com. In coordination with the Grand Canyon State Electric Cooperative Association, MEC is also participating in the development of the Arizona Goes Solar website mandated by the Commission, the development of which is spearheaded by Arizona Public Service Company.

Request for Flexibility to Shift REST Funds between Programs.

MEC anticipates the incentive program is adequately funded for both 2011 and 2012. No waiting list or backlog of incentive requests currently exists.

All programs will be available until the budget funds for the program are exhausted; however, MEC also seeks ACC authorization to shift approved REST Plan funds between programs, in order to increase budgets for programs in the 2012 Plan where appropriate. If this flexibility is approved, MEC will notify Staff of any plan to shift funds no less than 30 days prior to implementing the shift. If Staff notifies MEC in writing that it opposes the shift of funds, no shift will occur unless MEC first secures an order of the Commission authorizing the shift.

Conclusion and Goals

MEC has 149 residential and small commercial photovoltaic (PV) arrays installed within its service territory. The PV arrays range in size from 2 kW to 20 kW for a load reduction of 697.283 kW and an annual delivery of 1,527,050 kWh. MEC also has 11 school and Government PV installations, ranging in size from 12.5 kW to 50 kW for a load reduction of 180.2 kW and an annual delivery of 394,660 kWh. MEC has 29 small wind generators installed within its service territory. The wind generators are all rated at 2 kW for a load reduction of 58 kW and an annual delivery of 93,209 kWh. Member-owned systems installed prior to January 2010 were during MEC's participation in the AEPCO REST Plan. Systems installed after 2010 were under MEC's independent REST Plan. (See Exhibit A to this REST Plan.)

MEC has partnered with several government and non-profit organizations on the following community-based projects:

- Bullhead City Habitat for Humanity installed a 3.5 kW PV array on the area's first Habitat for Humanity house completed in late 2009 at a cost of $25,000.

- Habitat for Humanity decided not to construct a home in our service area in 2010, so MEC partnered with the Boys and Girls Club to install a renewable energy system at a cost of $54,000. A private foundation donated $25,000, with $4,000 donated by the solar contractor, added to the REST Program funding of $25,000 to install a 12.375 kW system.

- A second Habit for Humanity Home is currently under construction and MEC has committed $25,000 in REST funds for a 5.5 kW PV system on the home

- MEC also partnered with Bullhead City to install a 50 kW PV system located at City Hall. The system produces approximately 88,296 kWh annually. MEC advanced the $394,000 cost of the project which was funded by a combination of federal grant monies and REST funds. Approximately $53,000 will be repaid to the REST fund by Bullhead City, at no interest, over the 25 year life of the project from energy savings.

- Under the "PV for Schools" program for 2009, 2010 and 2011, all eligible schools in MEC's service territory received PV systems through the approved REST Plans. The systems averaged 16 kW at each school. MEC was also approved to provide these systems at no cost to the schools by utilizing up to $1,000,000 of internal MEC funds. Details are described under the CREBs discussion. Schools received $50,000 from the REST Program and an additional $10,000 of ARRA funds secured by MEC.

- Mohave Community College, Bullhead City Campus received $150,000 for a 40 kW PV system currently under construction. REST funds provide $50,000 along with $25,000 in private foundation funds and a $75,000 match in ARRA funds, all facilitated by MEC.

MEC is actively working in partnership with NEC and consultants to evaluate potential geothermal development in our service territories.

MEC continues its Willcox Greenhouse Geothermal Project agreement with Sulphur Springs Valley Electric Cooperative and AEPCO. The project has provided approximately 1,725,647 RECs to MEC.

MEC's goal is to provide renewable energy incentives to its members and to pursue increased opportunities beyond residential systems including geothermal and MEC owned distributed generation projects. These goals must be coordinated with on-going energy efficiency ("EE") efforts. For example, MEC experienced a reduction of retail energy sales of

approximately 2.5% last year, a continuation of a year over year trend starting in 2007, while maintaining a relatively constant number of meters. The reduced system demand reflective of the EE savings translates to a lessened need for new generation capacity. The new generation capacity reflected in this REST Plan, coupled with existing power contracts, is sufficient to meet MEC's demand.

When economic conditions improve and load growth resumes, MEC will consider pursuing additional large-scale renewable generation projects. The successful reduction of demand through even more aggressive EE programs could further diminish MEC's need for new generation, including generation from renewable resources.

III. EXHIBIT A

Total MEC Installed Renewable Capacity

Year	Commercial PV kWh	Residential PV kWh	Wind kWh	Willcox Greenhouse Geothermal kWh	Bullhead City PV kWh	AEPCO Benson Facility kWh	AEPCO Joint SunWatts Project kWh	Community Projects kWh	2010 Schools PV kWh	2011 Schools PV kWh	Total
2005		19763									19763
2006		30222									30222
2007		39683	4201								43884
2008	17634	221567	53824								293024
2009	119250	864921	93209					7358			1084738
2010	251240	1213164	93209	1076461	88296	18670	387630	19733	266325		3414728
estimated 2011	733478	1913858	93209	1139186	88296	18670	387630	32873	266326	459944	5133470
projected 2012	1215716	2614552	93209	1139186	88296	18670	387630	72293	266326	459944	6355822

IV. REST TARIFFS

MOHAVE ELECTRIC COOPERATIVE, INC.
Bullhead City, Arizona
RENEWABLE ENERGY STANDARD TARIFF

Effective: January 1, 2012

Purpose: To fund renewable energy requirements pursuant to an Arizona Corporation Commission approved renewable energy standard implementation plan.

Renewable Energy Standard ("RES") Surcharge:

On all bills for all governmental and agricultural customers with multiple meters, a RES Surcharge mandated by the Commission will be assessed monthly at the lesser of $0.000942 per kilowatt-hour of retail electricity purchased by the consumer, or:

Governmental and Agricultural Customers	$15.00 per service;
Governmental and Agricultural Customers whose metered demand is 3,000 kW or more for three consecutive months:	$ 49.00 per service.

On all bills for residential customers and highway customers, a RES Surcharge mandated by the Commission will be assessed monthly at the lesser of $0.0095006 per kilowatt-hour of retail electricity purchased by the customer, or:

Residential Customers:	$ 3.10 per service
Highway Customer	$ 3.10 per service

On all bills for irrigation customers, small commercial customers and large power customers, a RES Surcharge mandated by the Commission will be assessed monthly at the lesser of $0.0053714 per kilowatt-hour of retail electricity purchased by the customer, or:

Irrigation Customers:	$ 49.00 per service
Small Commercial Customers:	$ 49.00 per service
Large Power Customers:	$ 49.00 per service
Non-Residential Customers whose metered demand is 3,000 kW or more for three consecutive months:	$ 147.00 per service

In the case of unmetered services, MEC shall, for purposes of billing the RES Surcharge and subject to the caps set forth above, not bill an additional RES surcharge on unmetered service to a member that has a metered service with MEC. For any new unmetered services MEC will use the lesser of *(i)* the load profile or otherwise estimated kWh required to provide the service in question; or *(ii)* the service's contract kWh for the purposes of RES Surcharge billing.

The RES Surcharge is in addition to all other rates and charges applicable to service to the customer. The applicable sales tax in Arizona will be added to bills where required. The Cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the Cooperative.

MOHAVE ELECTRIC COOPERATIVE, INC.
Bullhead City, Arizona

STANDARD OFFER
VOLUNTARY RENEWABLE ENERGY PROGRAM TARIFF

Effective: January 1, 2012

VOLUNTARY RENEWABLE ENERGY PROGRAM FOR STANDARD OFFER CUSTOMERS

Availability

Available as an option to all residential and non-residential standard offer members of the Cooperative to participate in the Cooperative's renewable energy program. Not applicable for resale, breakdown, standby or auxiliary service.

Type of Service

Available to all classes of members, regardless of service entrance size or installed infrastructure located at the member's residence or place of business.

Monthly Rate

$ 2.00 per month for each block of 50 kWh of electric generation from renewable resources. Members electing this option may purchase one or more blocks. The rate is in addition to the otherwise applicable charges for all kWh consumed under standard offer service provided by the Cooperative.

Term

Members of the Cooperative may enroll at any time, effective at the beginning of the next billing month. Members may terminate their participation at any time by notifying the Cooperative; termination is effective at the end of the current billing month. Terminations made in conjunction with termination of all service from the Cooperative are effective at the time of such termination. Elections to participate or to cancel participation must be made in writing on a form supplied by the Cooperative.

Conditions

All funds collected under this Schedule will be used solely to construct, operate, and maintain renewable energy projects carried out by the Cooperative in Arizona, including solar electric generating projects. Electric energy generated by renewable resources in blended with other energy throughout the Cooperative's distribution system. Energy delivered to members electing this option will consist of such blended energy.

Tax Adjustment

The applicable sales tax in Arizona will be added to bills where required. The Cooperative is authorized to pass on to the consumers the applicable proportionate part of any taxes or government impositions, which are or may in the future be assessed on the basis of the gross revenues of the Cooperative.

Terms of Payment

Billing made under this schedule will be due and payable upon receipt and past due fifteen (15) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the Cooperative's collection policy.

MOHAVE ELECTRIC COOPERATIVE, INC.
Bullhead, Arizona
RENEWABLE ENERGY CUSTOMER SELF-DIRECTED TARIFF

Effective: January 1, 2012

Renewable Energy Standard ("RES") Customer Self-Directed Option

Application

The RES Customer Self-Directed Option is applicable to single and three phase service for Non-Residential Customers with multiple meters that pay more than $25,000 annually in RES Surcharge funds pursuant to the Renewable Energy Standard Tariff for any number of related accounts or services within the Cooperative's service territory.

Eligible Customer

An Eligible Customer may apply to the Cooperative to receive funds to install Distributed Renewable Energy Resources. An Eligible Customer seeking to participate in this program shall submit to the Cooperative a written application that describes the Renewable Energy Resources that it proposes to install and the projected cost of the project. An Eligible Customer shall provide at least half of the funding necessary to complete the project described in its application.

An Eligible Customer shall enter into a contract with the Cooperative that specifies, at a minimum, the following information: the type of Distributed Generation ("DG") resource, its total estimated cost, kWh output, its completion date, the expected life of the DG system, a schedule of Eligible Customer expenditures and invoices for the DG system, Cooperative payments to an Eligible Customer for the DG system, and the amount of a Security Bond or Letter of Credit necessary to ensure the future operation of the Eligible Customers' DG system, metering equipment, maintenance, insurance, and related costs.

If proposed to be connected to the Cooperative's electrical system, an Eligible Customer's DG resource shall meet all of the Cooperative's DG interconnection requirements and guidelines before being connected to the Cooperative's electrical system.

All Renewable Energy Credits derived from the project, including generation and extra credit multipliers, shall be applied to satisfy the Cooperative's Annual Renewable Energy Requirement.

The funds annually received by an Eligible Customer pursuant to this tariff may not exceed the amount annually paid by the Eligible Customer pursuant to the RES Surcharge Tariff.

V. REST FUNDING FROM SURCHARGE

MOHAVE ELECTRIC COOPERATIVE, INC.
2012 REST Plan
REST Funding From Surcharge

Rate Schedule	2012 Projected Annual Surcharge Collections	Percent Reaching Cap	REST Cap Cost	Percent Not Reaching Cap	Average Bill Cost
Residential	$1,012,881	73.22%	$3.10	26.78%	$1.44
Government	$13,169	9.18%	$15.00	90.82%	$1.92
Irrigation	$7,925	46.30%	$49.00	53.70%	$9.26
Small Commercial	$356,439	6.23%	$49.00	93.77%	$7.12
Large Power (Less than 3MW)	$43,092	94.62%	$49.00	5.38%	$28.21
Large Power (3MW+)	$1,764	100.00%	$147.00	0.00%	-
Highway	$1,680	0.00%	$3.10	100.00%	$0.21
Total REST Funding	**1,436,951**				

MOHAVE ELECTRIC COOPERATIVE, INC.
2012 REST Plan
Sample of Data

Sample Customers	Current kWh Average	Current REST Average
Barber Shop	788	$4.36
Department Store	81,370	$49.00
Mall (less tenants)	24,799	$49.00
Retail Video Store	33,807	$49.00
Large Hotel	4,786	$25.70
Large Building Supply and Hardware	230,520	$49.00
Motel	12,660	$49.00
Large Office Building	52,960	$49.00
Hospital	654,527	$49.00
Supermarket	210,820	$49.00
Convenience Store	24,653	$49.00
School	189,533	$15.00
Government Complex	110,243	$15.00

VI. FIVE YEAR REST BUDGET

MOHAVE ELECTRIC COOPERATIVE, INC.
2012 REST Plan
Five Year Projection

	2012	2013	2014	2015	2016
Forecasted Carry Forward	0	0	0	0	0
RES Funding	1,436,951	1,451,320	1,465,833	1,480,492	1,495,296
RES Program Forecast Expenditures	1,436,951	1,451,320	1,465,833	1,480,492	1,495,296
Carry Forward Funding	0	0	0	0	0
Tariff Revenues	1,436,951	1,451,320	1,465,833	1,480,492	1,495,296
Expenditures					
Residential and Commercial Incentives	412,090	426,459	440,972	455,631	470,435
5MW Distributed Generation-Solar	548,884	548,884	548,884	548,884	548,884
PV For Schools Loan Repayment	107,689	107,689	107,689	107,689	107,689
GO SOLAR Website	1,744	1,744	1,744	1,744	1,744
Solar Water Heating	18,000	18,000	18,000	18,000	18,000
RUS Loan Repayment	0	0	0	0	0
GeoThermal Resources-Willcox Greenhouse	29,544	29,544	29,544	29,544	29,544
GeoThermal Resources-Partnership with NEC	0	0	0	0	0
Administration & Advertising	244,000	244,000	244,000	244,000	244,000
Habit for Humanity	25,000	25,000	25,000	25,000	25,000
Fire Department Complex	25,000	25,000	25,000	25,000	25,000
Other Programs	25,000	25,000	25,000	25,000	25,000
Total Expenditures	1,436,951	1,451,320	1,465,833	1,480,492	1,495,296
Net Carry Forward	0	0	0	0	0

VII. UNIFORM CREDIT PURCHASE PROGRAM

Sample Forms

SUNWATTS
A MOHAVE PROGRAM

- RENEWABLE ENERGY INCENTIVE TARIFF (REST)

Uniform Credit Purchase Program Application

RESERVATION FORM

This form to be used to request incentive funds from the Renewable Energy Standards Tariff.

Your request in the MEC REST program assumes that you will owner-occupy the structure and operate your system continuously for a period of ten (10) years after you receive the incentive payment from MEC.

After completing the form, sign and submit to the Energy Management Department to be considered for incentive funds. If funds are not available at the time your reservation form is received you will be placed on a wait list until there are sufficient monies to fund the request. The wait list is based on a first come first serve basis. When the funds become available, the member will be notified to complete the full enrollment packet (Uniform Credit Purchase Program Application and the Interconnect Agreement). The member will have a 60 day period to begin the installation process once the funds have been obligated by Mohave Electric.

PRINT Member Name(s): ____________________ ____________________

Address: ____________________

Phone: __________ Mohave Electric Account #: __________ Meter # __________

☐ Residential Account ☐ Commercial Account Service Address: (if different) __________

Description of Renewable Energy Resource (include KW): __________

Projected Cost: $__________ (ATTACH A COPY OF CONTRACTOR ESTIMATE)

Rebate Amount Requested: $__________

Have you applied for or received other funding for this system? _____ YES _____ NO

If yes, what is the amount and source of the funding? __________

Are you applying for Net Metering _____ YES _____ NO

(If yes, a completed net metering application is also required to be submitted with the Interconnect Agreement)

I warrant that this reservation form was executed by the person whose name appears below and that they are members of the Cooperative.

DATE __________ MEMBER SIGNATURE(S) __________

____

~~~~~~

MEC Office Use Only

1. Date Placed on Wait List: __________ By: __________
2. System/ Load Verified (Pass or %_____) By: __________
3. Pre-Approved REST Funds: $ __________

Calculation: _____ x $2.00 = $_____ _____ x $1.50 = $_____ Total:$__________

_____ x $2.00 = $_____ _____ x $1.50 = $_____ Total:$__________

__________ __________

Funds Obligated - Authorized Representative of MEC Date

~~~~~~

☐ *Customer Notified of Approval or Denial* (circle) ☐ *Cancelled by Customer*

__________ __________

Signed: MEC Energy Management Specialist Date

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 1, Section 1
Uniform Credit Purchase Program Application

For residential and commercial systems, the combined generation capacity at the location is limited to a maximum of 125% of the total connected load and is limited to one installation per service entrance. The maximum amount of an incentive payment will be $30,000 for residential and $50,000 for commercial.**

Effective January 2012, as adopted by the Arizona Corporation Commission, the Renewable Energy Incentive Program, MEC will pay its members:

1) **Residential PV and Small Wind Systems** (an acceptable renewable energy technology* such as a photovoltaic array or a wind turbine):
   a. *System size 5kW or smaller*: MEC will pay $2.00/watt of installed nameplate capacity, up to 40% (not to exceed $30,000) of the total cost of the system.
   b. *System size larger than 5kW up to 50kW*: MEC will pay $2.00/watt of installed nameplate capacity for 5kW, then $1.50/watt for the remaining capacity, up to 40% (not to exceed $30,000) of the total cost of the system.

2) **Commercial PV and Small Wind systems** (an acceptable renewable energy technology* such as a photovoltaic array or a wind turbine):
   a. *System size 10kW or smaller*: MEC will pay $2.00 of installed nameplate capacity, up to 40% (not to exceed $50,000) of the total cost of the system.
   b. *System size larger than 10kW up to 50kW*: MEC will pay $2.00/watt of installed nameplate capacity for 10kW, then $1.50/watt for the remaining capacity, up to 40% (not to exceed $50,000) of the total cost of the system.

3) You, a Mohave Electric Cooperative member, submit a signed application and W9 tax form ***prior to system installation.***

4) You select and have installed a qualifying solar electric system, wind turbine, or other renewable energy technology at your home or business. This home or business must be served by MEC and occupied by an MEC member. Furthermore, your system must meet all qualifications listed in the following "Qualifications" section.

5) You must use a licensed electrical or solar contractor to install the system and the installation must meet IEEE standards, the National Electric Code, as well as the MEC Interconnection standards. (See Interconnect Agreement, Step 2). The contractor must also certify the system's installed nameplate capacity in watts. **The incentive amount that you receive is dependent on the installed nameplate capacity in watts.**

6) You sign an agreement assigning rights to the associated environmental attributes, such as Renewable Energy Credits (RECs) to MEC.

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7) The qualified net metering facility may be eligible for net metering. Please refer to the terms and conditions in the net metering application and the ACC approved Net Metering Service Tariff.

8) You, the owner of the renewable energy system, are responsible for payment of normal system repairs and maintenance to the unit, including labor.

9) In order to receive the rebate, you must submit the following to MEC:
   a. Verification from a MEC representative that the installed unit meets the qualifications as set out in the Incentive Program Systems Qualifications page.
   b. Proof of code inspection of the installation and of the system's installed nameplate capacity in watts certified by a licensed contractor. Failure to pass a code inspection and have a licensed contractor perform the installation and certify the system's output will result in refusal of the rebate.
   c. A System Qualifications-Contractor Certification form initialed by the contractor (Step 3).
   d. Copies of all building permits and inspection cards.
   e. Keep a copy of all documents for your records.

10) Once the documentation is submitted, please allow 30 days for your rebate to be processed. In the event that demand for funds exceeds a period allocation, MEC may provide reservations to those projects above the allocation depending on the current REST compliance status and availability of funding. In the event that funds collected for use in the Renewable Energy incentive program are not fully subscribed in a program year, those funds will be applied towards the next program year. The funds will be allocated to achieve the required energy outcome between residential and non-residential projects.

Submit documents to:

Mohave Electric Cooperative, Inc.
Energy Management Department
PO Box 1045
Bullhead City, AZ 86430
Phone: 928-763-1100 (ask for Energy Management Department)
FAX: 928-763-7357

* Those renewable energy technologies which qualify for inclusion in the Arizona Corporation Commission Renewable Energy Standard & Tariff.

** A service entrance is the electric meter location and associated wiring on the member's premises.

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A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 1, Section 2

ENROLLMENT FORM

To be completed by member:

PLEASE PRINT Name(s): _____ _____

Address: _____

Phone: _____

Mohave Electric Account #:_____ Meter #_____

Service Address (if different): _____

Description of Renewable Energy Resource: _____

Projected Cost: _____

Rebate Amount Requested: _____

Have you applied for or received other funding for this system? _____ YES _____ NO
If yes, what is the source and amount? _____

System Installation *Projected* Completion Date: _____

W9 Tax Form included (*please check):* ☐

Are you applying for Net Metering? _____ YES _____ NO *(If yes, a completed net metering application is also required to be submitted with the Interconnect agreement).*

By signing below, I am assigning my rights to the associated environmental attributes, such as Renewable Energy Credits (RECs) to MEC. The rebate does NOT cover battery or backup systems.

I understand that as the owner of the equipment, I am fully responsible for the unit's operation and safety. I will pay for normal system maintenance and repairs to the unit, including labor.

I affirm that I will not activate or operate the system prior to passing the MEC system verification.

I agree to allow MEC to verify my unit after installation, to ensure it meets requirements set forth in the Renewable Energy Incentive Program Systems Qualifications documentation (see section 4). I agree that MEC is not in any way responsible for the unit, its safety, operation, insurance or repair.

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I, ______________________________, hereby certify that I have read and reviewed the
(print name)
Renewable Energy Incentive Program Systems Qualifications. I understand that I am solely responsible for ensuring that these qualifications are met and maintained for the life of my electric generating system and I am responsible for any consequences if they are not met. I understand they are needed for safe operation of my and MEC's electrical system. I also understand that if they are not met, I am not eligible for any rebate from MEC.

I warrant that this application was executed by the person whose name appears below and that they are members of the Cooperative.

DATE ________________ MEMBER SIGNATURE(S) ____________________________

____

Processing of the rebate is contingent on the accurate certification/testing of the unit. Rebate processing may take up to 30 days. MEC reserves the right to refuse payment of a rebate based on the following reasons, including but not limited to: failure to meet the qualifications set forth in the Renewable Energy Incentive Program Systems Qualifications documentation, incomplete enrollment packets, insufficient system testing or certification, installation and/or testing/certification by an unlicensed electrician.

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For Office Use Only

Rebate funds certified by Mohave Electric

Pre-approved rebate amount: $______________________

____ ________________
Authorized Representative of Mohave Electric Cooperative, Inc. Date

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 1, Section 3

OPERATION OF RENEWABLE ENERGY SYSTEM, SALE OF PROPERTY AND MEMBER'S REFUND OBLIGATION

Your participation in the MEC Renewable Energy Incentive Program assumes that you will owner-occupy the structure and operate your system continuously for a period of ten (10) years after you receive the incentive payment from MEC. If you fail to do so, then you will be considered to be out of compliance with the program requirements and MEC will be entitled to reimbursement of the incentive payment.

You are required to notify MEC within five (5) business days after your system is either removed from your property or is no longer operational. MEC will consider this notification as the removal date. If you fail to maintain and operate your system for at least one year after the date you receive the incentive payment, liquidated damages may apply. In such event, you will be required to reimburse us the total amount of the incentive payment in certified funds no later than five (5) business days after your receipt of our request that you refund the incentive payment to MEC. If the removal date occurs after the first year but before the end of the tenth year, we reserve the right to request a pro-rated refund of the incentive payment. If your removal date occurs in Year 2, you would refund to MEC 80% of the incentive payment, Year 3, 70%, in Year 4, 60% and so on.

MEC may waive the foregoing reimbursement obligation or any other instance of your noncompliance if it is determined that the renewable energy system is not operational due to equipment malfunction or other disrepair that is not attributable to you, and, you are actively and reasonably making diligent, good faith efforts to repair the renewable energy system and return it to operation.

When MEC receives your reimbursement payment this incentive agreement will be deemed terminated and neither MEC nor you will have any further obligation to each other, but resolution of our respective obligations and rights will continue to be determined by this agreement until our relationship with each other is finally and completely resolved.

There are certain important conditions to consider if you sell your property where the renewable energy system is installed.

a. You are required to notify MEC in writing promptly in the event that you intend to sell your property.
b. If you sell your property within one (1) year after we pay you the incentive payment and your buyer does not continue to operate and maintain the renewable energy system you will be required to reimburse MEC the total amount of the incentive payment.
c. If you sell your property more than one (1) year after you receive the incentive payment, you must make arrangements to have your buyer agree to these terms and conditions whereby your buyer will continue to operate the renewable energy system.

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 1, Section 4

SYSTEM QUALIFICATIONS

All member-owned renewable energy system components must meet the following system and installation requirements to be connected to the MEC electric distribution system. Your licensed contractor will be required to initial compliance with the following items upon completion of system installation. (Refer to System Qualifications Contractor Certification—Step 3)

1. The system components must be certified as meeting the requirements of IEEE-929 – Recommended Practice for Utility Interface of Photovoltaic Systems.
2. The system components must be certified as meeting the requirements of UL – 1741 – Power Conditioning Units for use in Residential Photovoltaic Power and be covered by a non-prorated manufacturer's warranty of at least two years.
3. The system design and installation must meet all requirements of the latest edition of the National Electric Code (NEC), including Article 690 and all grounding, conductor, raceway, over-current protection, disconnect and labeling requirements.
4. The system and installation must meet the requirements of all federal, state and local building codes and have been successfully inspected by the building official having jurisdiction. To do so, the installation must be completed in accordance with the requirements of the latest edition of the NEC in effect in the jurisdiction where the installation is being completed, including, without limitation, Sections 200-6, 210-6, 23070, 240-3, 250-26, 250-50, 250-122, all of Article 690 pertaining to photovoltaic systems, thereof, all as amended and superseded.
5. A wind turbine system must be certified as meeting the requirements of UL – 1741 – Standard for Safety for Inverters, Converters, Controllers, and Interconnection System Equipment for Use With Distributed Energy Resources, 1st Edition; IEEE 1547 – 2003; CAN/CSA-C22.2 No 107.1-01, 3rd Edition.
6. An AC disconnect means shall be provided on all ungrounded AC conductors and shall consist of a lockable gang-operated disconnect clearly indicating open or closed. The switch shall be visually inspected to determine that the switch is open. The switch shall be clearly labeled stating "Renewable Energy System AC Disconnect."
7. All system installations must be completed in a professional, workman-like and safe manner.
8. All system installations must be completed by a licensed electrical contractor. NO EXCEPTIONS.
9. It is recommended that the member have a separate member-owned meter to measure the output of the member-owned renewable energy system.
10. A lock will be installed to prevent operating the system prior to the MEC verification. ***The system is <u>not</u> <u>to</u> <u>be</u> <u>activated</u> <u>or</u> <u>operated</u> until after it passes the MEC verification.***

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SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 3

SYSTEM QUALIFICATIONS - CONTRACTOR CERTIFICATION

CUSTOMER/PROJECT NAME: _____

MEC Energy Management Specialist will notify member when all systems qualifications have been met and the system may begin operation.

All member-owned renewable energy system components must meet the following system and installation requirements to be connected to the MEC electric distribution system. The licensed contractor installing the system is required to initial compliance with the following items upon completion of system installation:

1. _____ The system components must be certified as meeting the requirements of IEEE-929 – Recommended Practice for Utility Interface of Photovoltaic Systems.

2. _____The system components must be certified as meeting the requirements of UL – 1741 – Power Conditioning Units for use in Residential Photovoltaic Power and be covered by a non-prorated manufacturer's warranty of at least two years.

3. _____The system design and installation must meet all requirements of the latest edition of the National Electric Code (NEC), including Article 690 and all grounding, conductor, raceway, over-current protection, disconnect and labeling requirements.

4. _____ The system and installation must meet the requirements of all federal, state and local building codes and have been successfully inspected by the building official having jurisdiction. To do so, the installation must be completed in accordance with the requirements of the latest edition of the NEC in effect in the jurisdiction where the installation is being completed, including, without limitation, Sections 200-6, 210-6, 23070, 240-3, 250-26, 250-50, 250-122, all of Article 690 pertaining to photovoltaic systems, thereof, all as amended and superseded.

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5. _____ A wind turbine system must be certified as meeting the requirements of UL – 1741 – Standard for Safety for Inverters, Converters, Controllers, and Interconnection System Equipment for Use With Distributed Energy Resources, 1st Edition; IEEE 1547 – 2003; CAN/CSA-C22.2 No 107.1-01, 3rd Edition.

6. _____ An AC disconnect means shall be provided on all ungrounded AC conductors and shall consist of a lockable gang-operated disconnect clearly indicating open or closed. The switch shall be visually inspected to determine that the switch is open. The switch shall be clearly labeled stating "Renewable Energy System AC Disconnect."

7. _____ All system installations must be completed in a professional, workman-like and safe manner.

8. _____ All system installations must be completed by a licensed electrical contractor. NO EXCEPTIONS.

9. _____ Installer of this system certifies that the system will not operate, and will install a lock to prevent operating, in parallel to the MEC distribution system until the system passes the MEC verification.

CERTIFIED BY:

_____ _____

Electrical Contractor Signature Date

_____

Printed Name

_____

ROC Number

~~~~~~

FORWARD CONTRACTOR CERTIFICATION TO:

Mohave Electric Cooperative, Inc.
Energy Management Department
PO Box 1045
Bullhead City, Arizona 86430
Phone: 928-763-1100 FAX: 928-763-7357

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For Office Use Only

Copy to Engineering Department File:

_____ _____

Authorized Representative of Mohave Electric Cooperative, Inc. Date

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SUNWATTS
A MOHAVE PROGRAM

NET METERING SERVICE TARIFF

NET METERING APPLICATION

Mohave's Net Metering Service Tariff is approved by the Arizona Corporation Commission and establishes the terms and conditions of Net Metering service.

Net Metering service is available, but not required, for all end-use retail customers of the Cooperative with metered kWh usage with a qualifying Net Metering Facility.

Under Net Metering the electric energy generated by or on behalf of the member from a qualifying Net Metering Facility and delivered to the Cooperative's distribution facilities may be used to offset electric energy provided by the Cooperative during the applicable billing period as specified in this Tariff. Service under this Tariff is subject to: installation of a bidirectional meter (a new meter may or may not be needed); availability of enhanced metering and billing system upgrades; the rated capacity of the customer's Net Metering Facility not exceeding the Cooperative's service capacity; and the customer complying with all of the Cooperative's interconnection standards. Under this agreement the customer agrees to assign all environmental attributes, including RECs, to MEC.

The customer shall also be required to sign and complete a Net Metering Application and Interconnect Agreement prior to being provided Net Metering Service. A customer that installs a Net Metering Facility is not required to take service under this Tariff, but still must comply with the Cooperative's interconnection standards.

Net Metering commences **after** the completion of all applicable metering, billing, and administrative terms and conditions for Net Metering service. Net Metering is effective on future usage only and is not retroactive.

Net Metering Facility

Net Metering Facility means a facility for the production of electricity that:

- Is operated by or on behalf of the customer and is located on the customer's premises;
- Is intended to provide part or all of the customer's requirements for electricity;
- Uses Renewable Resources, a Fuel Cell or CHP to generate electricity;
- Has a generating capacity less than or equal to 125% of the customer's total connected load, or in the absence of customer load data, capacity less than or equal to the customer's electric service drop capacity; and
- Is interconnected with and can operate in parallel with the Cooperative's existing distribution system.

Metering

Customers served under this Tariff will require a bidirectional meter that will register and accumulate the net electrical requirements of the customer and shall have other capabilities similar to meter that is being replaced or that would be installed for the service (e.g., smart metering capabilities). The Cooperative will install such a meter at the customer's Net Metering Facility if proper metering is not already present. The incremental metering costs for bidirectional metering and the facility meter will be incurred by the Cooperative.

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Billing

During the billing period for:

- Customer Purchases in excess of Customer Supply
  - Cooperative shall bill the customer for the net kWh supplied by the Cooperative in accordance with the Cooperative's applicable Standard Retail Rate Schedule.

- Customer Supply in excess of Customer Purchases (Excess Generation)

  - Cooperative shall credit the customer the Excess Generation kWh in subsequent billing periods to reduce the kWh supplied (not kW or kVa demand or customer charges).

- Basic Service Charges and Demand charges (either metered or contract) and all other elements of the Cooperative's applicable Standard Retail Rate Schedule will continue to apply in full, except that the monthly "Customer Charge" for the applicable Optional Time-of-Use Rate will be applied whether or not the customer has elected the Time-of-Use rate. **Residential Customer Charge will be $15 per month. Small Commercial Customer Charge will be $30 per month.**

- For the last billing period of each Calendar Year or for the last billing period at the time the customer discontinues taking service under this rate schedule:

  The Cooperative shall issue a billing credit to the customer for any remaining Excess Generation balance. In the event the customer's electric service is terminated, after applying a billing credit for any Excess Generation up to the amount the customers owe the Cooperative, the Cooperative shall issue a check for the remaining value of the Excess Generation balance. The payment or credit will be determined at the Cooperative's Annual Average Avoided Cost, which shall be updated annually and are as specified below:

  2011 Annual Purchase Rate (cents/kWh): $0.0425

- An Administrative Charge may be charged by the Cooperative to collect new or additional costs the Cooperative incurs associated with the provision of Net Metering service (such as additional data communication access and billing costs) upon filing with and approval of such charge by the Arizona Corporation Commission pursuant to ACC R14-2-2305.

After completing the application, member(s) must sign and submit to the Energy Management Department. (*Interconnect Agreement is also required)*

PRINT Member Name(s): _____ _____

Address: _____

Phone: _____ Mohave Electric Account #: _____

Service Location: _____

Description of Renewable Energy Resource: _____

I (we) certify that I (we) received and read a copy of Mohave's Net Metering Tariff, understand and agree to comply with the terms and conditions of the tariff, and that this agreement will not be terminated earlier than one year after its effective date.

DATE _____ MEMBER SIGNATURE(S) _____

_____

For Office Use Only

Date Application Received: _____

_____

Authorized Representative of Mohave Electric Cooperative, Inc.

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VIII. INTERCONNECTION APPLICATION

SUNWATTS
A MOHAVE PROGRAM

RENEWABLE ENERGY INCENTIVE PROGRAM—Step 2

INTERCONNECT AGREEMENT

Application for Operation of Member-Owned Small Generation Attached to MEC

This application should be completed as soon as possible and returned to MEC's Energy Management representative in order to begin processing the request.

INFORMATION: This application is used by MEC to determine the required equipment configuration for the Customer interface. Every effort should be made to supply as much information as possible. This application is intended to apply to member-owned systems attached to MEC distribution system on the member side of the meter.

Responsibilities of Member for Installation, Operation and Maintenance of Net Metering Facilities

1) The Member will, at its own cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for, its facilities.

2) The Member shall conduct operations of its facilities in accordance with industry standards. Maintenance of facilities by the Member shall be performed in accordance with the applicable manufacturers' recommended maintenance schedule.

3) The Member agrees to cause its facilities to be constructed in accordance with the Rules and specifications equal to or better than those provided by the National Electrical Safety Code and the National Electrical Code, both codes approved by the American National Standards Institute, in effect at the time of construction.

4) The Member covenants and agrees to cause the design, installation, maintenance, and operation of, its facilities so as to reasonably minimize the likelihood of a malfunction or other disturbance, damaging or otherwise affecting or impairing the Cooperative's system. The electrical output of the Member's facilities shall not cause disturbance on or damage to the Cooperative's electrical system.

5) The Member shall exercise reasonable care to assure that the electrical characteristics of its facilities will not result in significant impairment of service to other customers or in interference with operation of computer, telephone, television, or other communications systems or facilities.

6) The Member shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation, operation and maintenance of its facilities.

7) The Member will notify the Cooperative of any emergency or hazardous condition or occurrence with the Member's facilities which could affect safe operation of the Cooperative's system.

Responsibilities of Cooperative

The Cooperative shall perform an inspection of the interconnected facilities prior to energization to verify that the facility meets the interconnection requirements of the Sun Watts program.

The Cooperative will perform subsequent periodic inspections of the interconnected facilities to verify the facility continues to meet those interconnection requirements.

The Cooperative will notify the Member if there is evidence that the Member's facilities operation causes disruption or deterioration of service to Cooperative's system.

MEMBER/APPLICANT INFORMATION

Member Name: _____

Mailing Address: _____
Street/PO Box City State
Zip Code

Installation Address: _____
Street Address City State Zip
Code

Mohave Electric Account#_____ Meter #_____

PROJECT DESIGN/ENGINEERING (ARCHITECT) (as applicable)

Company Name: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip: _____

Phone Number: _____ Representative: _____

ELECTRICAL CONTRACTOR (as applicable)

Company Name: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip: _____

Phone Number: _____ Representative: _____

ROC# _____

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TYPE OF GENERATOR (as applicable)

Photovoltaic

Wind

Other

ESTIMATED LOAD AND GENERATOR RATING

The following information will be used to help properly design the interconnection between MEC's facilities and the Members facilities. This information is not intended as a commitment or contract for billing purposes.

Total Site Load _____(kW)

Residential _____ Commercial _____ Industrial _____

Generator Nameplate Rating _____ (kW)

Annual Estimated Generation _____ (kWh)

DESCRIPTION OF PROPOSED INSTALLATION AND OPERATION

Give a general description of the proposed installation, including a detailed description of its planned location, number of panels or turbines, model numbers, and nameplate output.

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INVERTER DATA (if applicable)

Manufacturer: _____ Model: _____

Rated Power Factor (%):_____ Rated Voltage (Volts): _____

Rated Amperes: _____

Inverter Type (ferroresonant, step, pulse-width modulation, etc): _____

Type commutation: forced line Harmonic Distortion: Maximum Single Harmonic (%) _____

_____

Note: Attach all available calculations, test reports, and oscillographic prints showing inverter output voltage and current waveforms.

MEMBER AGREEMENT AND SIGNATURE:

I hereby certify that, to the best of my knowledge, the information provided in this Interconnection Agreement is true. I agree to provide any further information required during the Interconnection Application Process and to install and operate the interconnection equipment according to the Terms and Conditions outlined herein.

I warrant that this Interconnect Agreement was executed by the person whose name appears below and that they are members of the Cooperative.

DATE _____ MEMBER SIGNATURE(S) _____

_____

~~~~~~

MEMBER SUBMITS DOCUMENT TO:

Mohave Electric Cooperative, Inc.
Engineering Department
PO Box 1045
Bullhead City, Arizona 86430
Phone: 928-763-4115 FAX: 928-763-6094

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For Office Use Only
Engineering Department Verification

_____ _____
Authorized Representative of Mohave Electric Cooperative, Inc. Date

(Forward to Energy Management following signature/verification)

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IX. USDA RUS FORM 7

PRELIMINARY

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: AZ0022

PERIOD ENDED: May, 2011

BORROWER NAME: Mohave Electric Cooperative, Incorporated

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Monika Colley — 6/20/2011 (DATE)

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	YEAR-TO-DATE BUDGET (c)	THIS MONTH (d)
1. Operating Revenue and Patronage Capital	25,257,091	26,880,250	26,300,577	5,513,140
2. Power Production Expense				
3. Cost of Purchased Power	20,385,681	21,129,107	22,278,398	4,407,392
4. Transmission Expense	76,908	84,013	65,145	18,053
5. Regional Market Expense				
6. Distribution Expense - Operation	1,164,581	1,329,737	1,192,352	287,970
7. Distribution Expense - Maintenance	399,803	449,331	467,813	97,942
8. Customer Accounts Expense	921,302	904,005	935,418	191,699
9. Customer Service and Informational Expense	82,621	59,611	73,516	9,873
10. Sales Expense	31,602	25,011	37,582	3,860
11. Administrative and General Expense	1,295,252	1,939,825	1,702,530	531,312
12. Total Operation & Maintenance Expense (*2 thru 11*)	24,357,750	25,920,640	26,752,754	5,548,101
13. Depreciation and Amortization Expense	833,006	950,428	1,002,909	191,627
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	902,607	860,074	883,464	175,549
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	55,810	69,602	55,000	14,396
19. Other Deductions	14,233	3,946	5,000	410
20. Total Cost of Electric Service (*12 thru 19*)	26,163,406	27,804,690	28,699,127	5,930,083
21. Patronage Capital & Operating Margins (*1 minus 20*)	(906,315)	(924,440)	(2,398,550)	(416,943)
22. Non Operating Margins - Interest	137,046	156,788	136,650	(8,692)
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments		3,200		800
25. Non Operating Margins - Other	379			
26. Generation and Transmission Capital Credits	2,291,667	1,158,247	1,158,247	231,649
27. Other Capital Credits and Patronage Dividends	34,411	(1,779)	37,000	
28. Extraordinary Items				
29. Patronage Capital or Margins (*21 thru 28*)	1,557,188	392,016	(1,066,653)	(193,186)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION
AZ0022

PERIOD ENDED
May, 2011

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)
1. New Services Connected	81	55	5. Miles Transmission	108.59	108.59
2. Services Retired	16	4	6. Miles Distribution – Overhead	1,055.53	1,054.61
3. Total Services in Place	43,334	43,464	7. Miles Distribution - Underground	346.45	348.73
4. Idle Services (*Exclude Seasonals*)	4,642	4,714	8. **Total Miles Energized** *(5 + 6 + 7)*	1,510.57	1,511.93

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	89,029,949	30. Memberships	163,165
2. Construction Work in Progress	3,378,014	31. Patronage Capital	67,565,118
3. **Total Utility Plant** *(1 + 2)*	92,407,963	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	36,425,318	33. Operating Margins - Current Year	232,028
5. **Net Utility Plant** *(3 - 4)*	55,982,645	34. Non-Operating Margins	159,988
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	2,224,738
7. Investments in Subsidiary Companies	0	36. **Total Margins & Equities** *(30 thru 35)*	70,345,037
8. Invest. in Assoc. Org. - Patronage Capital	31,162,552	37. Long-Term Debt - RUS (Net)	13,455,862
9. Invest. in Assoc. Org. - Other - General Funds	2,003,515	38. Long-Term Debt - FFB - RUS Guaranteed	16,706,743
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	794,490	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	0	40. Long-Term Debt Other (Net)	6,718,757
12. Other Investments	5,580,969	41. Long-Term Debt - RUS - Econ. Devel. (Net)	0
13. Special Funds	292,995	42. Payments – Unapplied	0
14. **Total Other Property & Investments** *(6 thru 13)*	39,834,521	43. **Total Long-Term Debt** *(37 thru 41 - 42)*	36,881,362
15. Cash - General Funds	2,830,038	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	45. Accumulated Operating Provisions and Asset Retirement Obligations	0
17. Special Deposits	0	46. **Total Other Noncurrent Liabilities** *(44 + 45)*	0
18. Temporary Investments	9,188,791	47. Notes Payable	0
19. Notes Receivable (Net)	2,127,335	48. Accounts Payable	4,379,035
20. Accounts Receivable - Sales of Energy (Net)	1,497,941	49. Consumers Deposits	2,951,850
21. Accounts Receivable - Other (Net)	1,765,910		
22. Renewable Energy Credits	0	50. Current Maturities Long-Term Debt	1,712,358
23. Materials and Supplies - Electric & Other	2,029,953	51. Current Maturities Long-Term Debt - Economic Development	0
24. Prepayments	8,622,144	52. Current Maturities Capital Leases	0
25. Other Current and Accrued Assets	217,374	53. Other Current and Accrued Liabilities	7,860,244
26. **Total Current and Accrued Assets** *(15 thru 25)*	28,279,486	54. **Total Current & Accrued Liabilities** *(47 thru 53)*	16,903,487
27. Regulatory Assets	20,194	55. Regulatory Liabilities	0
28. Other Deferred Debits	6,413,098	56. Other Deferred Credits	6,400,058
29. **Total Assets and Other Debits** *(5+14+26 thru 28)*	130,529,944	57. **Total Liabilities and Other Credits** *(36 + 43 + 46 + 54 thru 56)*	130,529,944